

Nexa Reports Fourth Quarter and Full Year 2022 Results Including Adjusted EBITDA Record of US \$760 Million

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LUXEMBOURG, February 15, 2023 - [Nexa Resources S.A.](#) ("Nexa Resources", "Nexa", or "Company") announces today its results for the three and twelve months ended December 31, 2022 and provides its production and metal sales guidance for the three-year period 2023-2025. The Company is also providing cash cost, capital expenditures and other operating expenses guidance for 2023.

CEO Message - Ignacio Rosado

"The fourth quarter of 2022 marked my first full year as CEO of Nexa, where I focused on increasing efficiency across our organization. We deployed a set of initiatives and new ways of working, which streamlined our cost base, as well as supported our strategic priorities.

We achieved 2022 operational guidance with strong financial and operational discipline, despite a very challenging environment. Metal production and sales were at the high end, or above guidance range, while mining and smelting costs were in line and below guidance, respectively.

On the other hand, the Russia-Ukraine war significantly increased commodity price volatility, contributing to a slowdown in global growth, and intensifying inflationary pressures in 2022, a period in which the world economy was still recovering from the pandemic.

Aripuanã ramp-up continues to progress, and we are pleased to have sold commercial grade concentrates and to inform that Aripuanã has achieved its first revenue in the fourth quarter. We also processed zinc in concentrate from Aripuanã at the Juiz de Fora smelter. The results of our continued drilling activities indicate a potential increase in mineral reserves of more than 35% over the 22 million tonnes reported last year. We remain confident that Aripuanã will be a long-life flagship mine with a significant contribution to our results.

We have updated our long-term ESG targets, reaffirming our ongoing commitments and efforts to reduce our carbon footprint, supporting the important mission to mitigate global climate challenges. Moreover, we continue to strengthen and promote an equal opportunities environment while creating safe and inclusive workplaces.

We know that 2023 will likely be another challenging year, in which the risk of a global recession remains high. In Peru, we are closely monitoring the socio-political environment which, to date, has not affected our operations and in Brazil, inflationary pressures are expected to remain in the course of the year. Nevertheless, we will seek to maintain our investments to extend the LOM of our assets, in addition to ongoing assessments of our project portfolio. We are committed to disciplined capital allocation and positive cash flow generation in the short and long term. We are prepared to capitalize on new opportunities in our operations, always striving to create shared value for all our stakeholders and the communities in which we operate."

Summary of Financial Performance

US\$ million (except per share amounts)	4Q22	4Q21	2022	2021
Net revenues	780	678	3,034	2,622

Gross profit	84	94	639	633
Net income (loss)	(81	) 11	76	156
EBITDA ⁽¹⁾	36	137	650	705
Basic and diluted earnings per share ("EPS")	(0.62	) 0.01	0.37	0.86
Adjusted net income ⁽¹⁾	3	28	187	195
Adjusted EBITDA ⁽¹⁾	120	153	760	744
Adjusted basic and diluted EPS ⁽¹⁾	(0.04	) 0.11	1.14	1.11
Cash provided by operating activities before working capital ^{(1) (2)}	141	153	702	700
Capex	116	164	381	508
Free cash flows ⁽¹⁾	(20	) (42	) (246	) (342
Total cash ⁽³⁾	516	763	516	763
Net debt ⁽¹⁾	1,161	962	1,161	962

(1) Refer to "Use of Non-IFRS Financial Measures" for further information. During December 2022, the Company revised its Adjusted EBITDA definition to exclude certain items to provide a better understanding of its operational and financial performance. Adjusted EBITDA, adjusted net income (loss) and adjusted EPS, excludes the items presented in the Adjusted EBITDA reconciliation on pages 20 and 58 of this earnings release. 2021 and 2022 previous numbers have been reclassified according to the updated definition. For details on segment definition and accounting policy, please refer to explanatory note 2 - "Information by business segment" in the "Consolidated financial statements at December 31, 2022".

(2) Working capital in 4Q22 had a negative impact of US\$0.5 million, totaling negative US\$203 million in 2022. Working capital in 4Q21 had a positive impact of US\$4.5 million, totaling negative US\$38 million in 2021.

(3) Cash, cash equivalents and financial investments.

Executive Summary

Operational Performance

- Zinc production of 75kt in 4Q22 decreased by 8% compared to 4Q21, mainly due to grade reduction in Cerro Lindo and El Porvenir. Compared to 3Q22, zinc production followed the same trend and decreased by 2%. Zinc production totaled 296kt in 2022, compared to 320kt in 2021.
- Run of mine mining cost in 4Q22 was US\$47/t compared to US\$44/t in 4Q21 reflecting inflationary cost pressure, including energy and maintenance, in addition to higher personnel expenses and third-party services. These were partially offset by our cost control initiatives and higher treated ore. Compared to 3Q22, run of mine mining cash cost increased by 8% primarily driven by third-party services, including increased maintenance in the period.
- Mining cash cost net of by-products^[1] in 4Q22 was US\$0.20/lb compared with US\$0.25/lb in 4Q21 and US\$0.57/lb in 3Q22. In both comparisons, this decrease was mainly due to higher by-products credits.
- The smelting segment performed as expected, with metal production of 157kt increasing by 2% from 4Q21, driven by increased production in all three smelters. Compared to 3Q22, production decreased by 1%.
- In 4Q22, metal sales were 167kt, up by 6% and 3% from 4Q21 and 3Q22, respectively.
- Smelting conversion cost was US\$0.25/lb in 4Q22 compared with US\$0.23/lb in 4Q21 due to inflationary impacts on costs, including energy and maintenance, in addition to higher personnel expenses. Compared to 3Q22, conversion cost decreased by US\$0.01/lb.
- Smelting cash cost¹ in 4Q22 was US\$1.20/lb compared with US\$1.28/lb in 4Q21, mainly explained by market-related factors, such as lower zinc prices with a positive impact of US\$0.08/lb. LME zinc price averaged US\$3,001/t (US\$1.36/lb) in 4Q22, down 11% year-over-year. Compared to 3Q22, smelting cash cost decreased by 12% due to lower operating costs and higher volumes.

Mining production (metal in concentrate)		4Q22	3Q22	2Q22	1Q22	2022	1Q21	2Q21	3Q21	4Q21	2021
Zinc	kt	74.9	76.0	79.2	66.3	296.4	77.4	81.6	79.9	81.1	319.9
Copper	kt	9.3	7.4	9.6	6.9	33.2	7.9	6.9	7.8	7.0	29.6
Lead	kt	15.7	15.3	14.2	12.4	57.4	10.4	11.7	10.8	12.7	45.6
Silver	MMoz	2.6	2.6	2.6	2.2	10.0	2.1	2.2	2.2	2.3	8.8
Gold	koz	6.9	7.1	6.9	6.4	27.2	4.8	6.1	6.4	8.2	25.5
Smelting sales		4Q22	3Q22	2Q22	1Q22	2022	1Q21	2Q21	3Q21	4Q21	2021
Metal	kt	167.4	162.3	152.1	134.3	616.2	148.4	156.6	155.5	158.4	618.8
Zinc metal		158.9	151.7	141.4	124.0	575.9	138.5	146.7	144.6	148.1	577.9
Zinc oxide		8.5	10.7	10.8	10.4	40.3	9.8	9.9	10.9	10.3	40.9

[1] Our cash cost net of by-products credits is measured with respect to zinc sold.

Financial Performance

- Net revenues in 4Q22 were US\$780 million compared with US\$678 million in 4Q21 due to the increase in metal sales, partially offset by lower LME metal prices across all metals. Compared to 3Q22, net revenues increased by 11% as a result of higher metal sales and copper concentrate volumes, partially offset by lower LME zinc prices. In 2022, net revenues were US\$3,034 million, up 16% over 2021, primarily driven by higher LME zinc prices.
- In December 2022, Nexa revised its Adjusted EBITDA definition to exclude certain items, aiming to provide a better understanding of its operational and financial performance. Please refer to page 20 and 58 for more information.
- Adjusted EBITDA^[2] in 4Q22 decreased to US\$120 million, compared with US\$153 million in 4Q21 and US\$121 million in 3Q22. Adjusted EBITDA for the twelve months ended December 31, 2022, was a record of US\$760 million compared with US\$744 million in 2021.

- Adjusted EBITDA for the mining segment in 4Q22 was US\$78 million compared with US\$64 million in 3Q22. This increase was mainly driven by higher by-products contribution, partially offset by lower zinc prices and a negative impact of US\$14 million in Aripuanã related to sales of concentrates with higher unit costs. Compared to 4Q21, Adjusted EBITDA decreased by 36%.
- In 2022, Adjusted EBITDA for the mining segment totaled US\$440 million, down 8% compared to US\$477 million in 2021.
- Adjusted EBITDA for the smelting segment in 4Q22 was US\$46 million compared with US\$58 million in 3Q22. This decrease was mainly driven by a non-cash impact of US\$14 million related to our annual review of environmental liabilities and provisions update. Compared to 4Q21, Adjusted EBITDA increased by 44%.
- In 2022, Adjusted EBITDA for the smelting segment was US\$326 million, up 20% compared to 2021.
- As part of the continuous review of our assets portfolio, Nexa recognized a non-cash US\$33 million pre-tax net impairment loss in 4Q22 primarily related to (i) Cerro Pasco (impairment reversal), given the improved results and the potential increase in production due to the proposed optimization of the integration of El Porvenir and Atacocha mines; (ii) the decision made by the Company and the Board not to move forward with Shalipayco and Pukaqaqa greenfield projects; and (iii) an impairment loss in the Mine Peru Group related to the write-off of goodwill.
- In 4Q22, adjusted net income was US\$3 million, and adjusted net income totaled US\$187 million in 2022. Adjusted net loss attributable to Nexa's shareholders was US\$6 million in 4Q22, with an adjusted net income attributable to Nexa's shareholders of US\$151 million in 2022, which resulted in adjusted losses per share of US\$0.04 and adjusted EPS of US\$1.14, respectively.

[2] Adjusted EBITDA excludes the items presented in the Adjusted EBITDA reconciliation on pages 20 and 58 of this earnings release - US\$84 million in 4Q22, totaling US\$110 million in 2022.

Financial Position, Investments and Financing

- Total cash^[3] decreased to US\$516 million at December 31, 2022 from US\$763 million at December 31, 2021 mainly due to Aripuanã investments (sustaining and expansion CAPEX, pre-operating expenses and working capital) of approximately US\$226 million. Our current available liquidity remains strong at US\$816 million, including the revolving credit facility.
- In 2022, cash flows from operating activities excluding working capital changes amounted to US\$702 million. Interest and income tax payments amounted to US\$229 million, while we invested US\$234 million in sustaining (including HSE investments). As a result, cash flow before expansion projects and working capital was positive at US\$239 million.
- In 2022, Aripuanã expansion CAPEX was US\$66 million and sustaining was US\$46 million. Cash used in financing activities totaled US\$149 million, including the investment of US\$7 million in Tinka and the net cash used for the early redemption of our 2023 Notes of US\$38 million. Pollarix, Nexa's energy subsidiary, paid dividends to non-controlling interests of US\$21 million. We paid dividends and share premium of US\$50 million in 1Q22. The foreign exchange effect on cash and cash equivalents had a positive effect of US\$16 million.
- Working capital changes were negative at US\$203 million in 2022, mainly due to the increase in inventory levels, including the ore stockpile built at Aripuanã to secure the ramp-up period, and the decrease in trade and confirming payables.
- Consequently, free cash flow in 2022 was negative US\$246 million. Refer to our "Net cash flows from operating activities excluding working capital changes and free cash flow - Reconciliation" section for further details.
- Net debt to Adjusted EBITDA ratio for the last twelve months increased to 1.53x compared with 1.41x at the end of September 2022 and 1.29x a year ago.

ESG and Corporate Highlights

- Nexa declared in February 2022 and paid in March 2022 a distribution to Nexa's shareholders of US\$50 million.
- In May 2022, Nexa subscribed for 40,792,541 common shares of Tinka Resources and now owns approximately 18.2% of the issued and outstanding common shares of the company and has the right to nominate one member to Tinka's board of directors. Tinka holds 100% of the Ayawilca zinc-silver project, one of the largest zinc deposits in Peru with solid resource expansion potential.
- As previously announced, Mr. José Carlos del Valle was appointed as Nexa's Senior Vice President of Finance and Group Chief Financial Officer ("CFO"), effective October 3, 2022, replacing Mr. Rodrigo Menck.

- During 2022, Nexa updated and enhanced its ESG program, announcing its new long-term environmental, social, and governance commitments, including carbon footprint. We plan to reach net-zero greenhouse gas emissions ("GHG") by 2050 and have announced a number of shorter-term commitments. The Company also became the first international-based sponsor partner of Artemis Project a social enterprise founded by a collective of female entrepreneurs focused on disruptive changes in global economic, environmental, and social development in mining.
- Aligned with our ESG commitment, we have started to recycle the sterile rock from the Ambrósia mine (Morro Agudo), closed in 4Q20. In partnership with a local company, we are selling this material to be used in the construction sector.
- In January 2023, S&P affirmed its "BB+" rating and "stable" outlook for Nexa.
- On February 15, 2023, Nexa's Board approved a distribution to Nexa's shareholders of US\$25 million as a share premium (or special dividend), or approximately US\$0.188766 per common share, to be paid on March 24, 2023. Nexa may approve an additional dividend payment during the second half of 2023, subject to market conditions and Company's performance.

[3] Cash and cash equivalents and financial investments.

Growth Strategy and Project Portfolio

- In the short term, we continue to work to improve our operational performance while generating cash in our mines and smelters, expanding our current resources through infill and exploratory drilling in all our mines.
- We continuously evaluate our capital allocation strategy, our existing project portfolio, and the jurisdictions in which we operate. After a careful assessment and prioritization of our portfolio optimization, we have decided to not move forward with two of our potential greenfield projects, Shalipayco and Pukaqaqa located in Peru.
- We have continued to make progress with our project to optimize the integration of El Porvenir and Atacocha mines at our Cerro Pasco complex. We plan to increase the capacity of our tailings and shaft and optimize the processing plant, to potentially increase production.
- We are revisiting the Bonsucesso project and the potential impact on the life of mine of Morro Agudo mine and we continue to assess alternatives for our Magistral project taking into consideration our capital allocation strategy and our focus on free cash flow generation.

Aripuanã

- Ramp-up activities have continued to progress and are currently focused on steadily increasing the plant throughput rate, increasing asset reliability, and improving concentrate grades. We closed 4Q22 with plant throughput reaching 53% of nameplate capacity. The ramp-up continues, and we are above 60% at the beginning of February, and we expect to reach nameplate capacity in 2H23.
- In December 2022, we started the shipments of concentrates within market specifications, with an increase in sales planned for 1Q23.
- Mine development activities in both the Arex and Link mines continue. At the end of December 2022, approximately 600kt of ore was available in stockpiles, which is enough to cover 4.5 months of plant production during the continued ramp-up period.
- In 4Q22, we invested in expansion CAPEX of US\$3 million, totaling US\$66 million in 2022, including the negative FX impact of US\$5.5 million, and a cumulative expansion CAPEX since the beginning of construction of US\$632 million. Sustaining CAPEX in 2022 was US\$46 million.
- Refer to our "Aripuanã project" section for further details.

2022 Results and Guidance

Production and Sales

2022 production guidance for all metals was achieved. Zinc production totaled 296kt in 2022. Cerro Lindo, El Porvenir, and Morro Agudo mines achieved the upper range of the guidance, while Vazante and Atacocha mines exceeded annual guidance. Although Aripuanã ramp up activities have continued to progress, production for Aripuanã was below guidance.

Copper and silver production of 34kt and 10MMoz, respectively, achieved the upper end of the annual guidance, while lead production of 57kt exceeded annual guidance. Further details are outlined below.

- Cerro Lindo: zinc production of 84kt in 2022 was in the mid-range of guidance. The mine sequence continued to favor the production of copper and silver, reaching the upper end of the guidance range for these metals.
- El Porvenir: zinc production of 52kt in 2022 achieved the mid-range of guidance, while copper was slightly below the range, and lead and silver production exceeded the annual guidance.
- Atacocha: zinc production of 10kt in 2022 exceeded the annual guidance, while lead and silver production reached the upper end of guidance.
- Vazante: zinc production of 132kt in 2022 exceeded the annual guidance while, lead achieved the lower end of the range, and silver production reached the upper end of the range.
- Morro Agudo: zinc production of 19kt in 2022 reached the upper range of the guidance, while lead exceeded the upper range.
- Aripuanã: ramp up activities continued to progress. Milling capacity reached 53% of nameplate at the end of the year, behind our initial plan mainly due to heavy rainfall in the period, which required additional operational stoppages in our filters, and also caused power outages.

Mining production (Metal in concentrate)		2022	Guidance 2022	
Zinc	kt	296	287	- 318
Cerro Lindo		84	81	- 86
El Porvenir		52	49	- 53
Atacocha		10	9	- 9
Vazante		132	118	- 127
Morro Agudo		19	16	- 19
Aripuanã		1	14	- 23
Copper	kt	33	28	- 35
Cerro Lindo		33	26	- 33
El Porvenir		0.3	0.3	- 0.3
Aripuanã		0.2	1.6	- 2.3
Lead	kt	57	46	- 55
Cerro Lindo		16	11	- 12
El Porvenir		23	15	- 18
Atacocha		11	10	- 11
Vazante		1.2	1.0	- 1.2
Morro Agudo		6.2	4.3	- 4.8
Aripuanã		-	5.0	- 7.7
Silver	MMoz	10	8.6	- 10
Cerro Lindo		4.1	3.9	- 4.1
El Porvenir		4.2	3.1	- 3.6
Atacocha		1.2	1.0	- 1.1
Vazante		0.5	0.3	- 0.4
Aripuanã		-	0.3	- 0.5

Metal sales of 616kt in 2022 exceeded annual guidance driven by the solid performance of our smelters and sustainable global demand. Zinc metal sales of 578kt were above the high end of the guidance range, given the positive demand, increase in exports, and improvement in lead times. Zinc oxide sales of 40kt also

exceeded annual guidance supported by solid demand in our home markets, particularly from the pneumatic and agribusiness sectors.

Smelting sales	2022	Guidance 2022		
Metal sales kt	616	565	-	590
Zinc metal	578	528	-	551
Zinc oxide	40	37	-	39

Cash Costs

Cost ROM	Cash cost ⁽¹⁾ net of by-product (US\$/lb)			
Operating costs	2022	Guidance 2022		
(US\$/t)				
Mining	0.28	0.28		
Cerro Lindo	(0.25)	(0.26)))
El Porvenir	0.33	0.39		
Atacocha	(0.71)	(0.03)))
Vizante	0.56	0.55		
Morro Agudo	0.98	0.94		

(1) 2022 C1 Weighted Cash cost net of by-products credits is measured with respect to zinc sold per mine.

Operating costs	Conversion cost	Cash cost ⁽²⁾ net of by-product (US\$/lb)	
2022	2022	2022	Guidance 2022
(US\$/lb)			
Smelting	0.26	1.34	1.37
Cajamarquilla	0.27	1.28	1.38
Três Marias	0.19	1.41	1.44
Juiz de Fora	0.37	1.41	1.34

(2) 2022 C1 Weighted Cash cost net of by-products credits is measured with respect to zinc sold per smelter.

- Mining C1 cash cost of US\$0.28/lb in 2022 was in line with our 2022 guidance.
- Smelting C1 cash cost of US\$1.34/lb in 2022 was 2% lower than our 2022 guidance, positively affected by higher by-products credits.

Capital Expenditures ("CAPEX") Guidance

- Nexa made investments of US\$116 million in 4Q22, totaling US\$381 million in 2022. Of this amount, 23% was allocated to expansion projects, mainly driven by Aripuanã in the total amount of US\$66 million, slightly higher than our annual guidance due to the negative FX impact and additional contract expenses, as previously informed.
- The Brazilian real appreciation against the U.S. dollar had a negative impact of US\$2.9 million in the quarter and approximately US\$17 million in 2022.
- Sustaining investments were US\$240 million, including US\$46 million of Aripuanã.

CAPEX	
(2022 Guidance 2022)	
million)	
Expansion	58
projects	(75)
Acquisition	50
Others	16
(1)	(2)
Non-Expansion	191
Sustaining	256
(2)	(40)
ISE	36
Others	18
(3)	(3)
Reconciliation	
to	
Financial	
Statements	
(4)	
TOTAL	385

- (1) Including Vazante LOM extension.
- (2) Investments in tailing dams are included in sustaining expenses.
- (3) Modernization, IT and others.
- (4) The amounts are mainly related to capitalization of interest net of advanced payments for imported materials and tax credits.

Exploration & Project Evaluation and Other Expenses Guidance

- In 4Q22 we invested US\$23 million in exploration and project evaluation, for a total of US\$87 million in 2022 compared to the guidance of US\$82 million mainly due to the Brazilian real appreciation against the U.S. dollar with a negative impact of US\$5.6 million in 2022.
- We have also invested US\$17 million, expanding our commitment to the social and economic development of our host communities, progressing with certain projects, and an additional US\$11 million in technology to make our business safer and improve our efficiency.

Other	
Operating	
Expenses	
(2022 Guidance 2022)	
(US\$	
million)	
Exploration	61
Mineral	43
Exploration	(14)
Mineral	8
rights	(5)
Sustaining	13
(1)	(15)
development)	
Project	18
Evaluation	(3)
Exploration	87
&	82
Project	
Evaluation	
Other	18
Technology	17
Communities	(5)

Guidance 2023-2025

Guidance is based on several assumptions and estimates and is subject to the continuous evaluation of several factors, including but not limited to metal prices; operational performance; maintenance and input costs; and exchange rates.

Nexa will continue to monitor risks associated with global supply chain disruptions, which could be exacerbated by the Russia-Ukraine war, unusual weather conditions and/or increased restrictions related to the COVID-19 pandemic; global recession, and the potential impact on the demand for our products; inflationary cost pressure; metal prices; communities protests, political situation and changes to the regulatory framework in the countries in which we operate that could affect our production levels; among others. Refer to "Risks and Uncertainties" and "Cautionary Statement" for further information.

Production and Sales

Metal contained (in concentrate)	2022	2023e	2024e	2025e
Zinc	306	307	351	318
Cerro Lindo	84	69	79	71
El Porvenir	52	51	55	44
Atacocha	9	-	11	8
Vazante	131	131	144	131
Morro Agudo	19	17	23	17
Aripuanã	28	40	45	60
Copper	31	36	29	32
Cerro Lindo	33	25	28	23
El Porvenir	0.3	0.2	0.3	0.3
Aripuanã	6.3	7.8	5.9	6.2
Lead	57	56	71	64
Cerro Lindo	16	11	13	11
El Porvenir	23	20	26	21
Atacocha	10	12	12	13
Vazante	1.1	1.2	0.9	1.1
Morro Agudo	4.9	6.1	4.3	4.8
Aripuanã	8.9	12.9	15	20
Silver	9	11	11	12
Cerro Lindo	4.1	3.5	3.8	3.7
El Porvenir	4.2	3.7	4.5	3.9
Atacocha	1.0	1.2	1.2	1.3

Vazante	0.3 - 0.4	0.3 - 0.4	0.3 - 0.4
Aripuanã	0.8 - 1.2	1.4 - 1.6	1.5 - 2.0

For the forecasted periods, zinc head grade is expected to be in the range of 2.75% and 2.89%, copper head grade is expected to be in the range of 0.29% and 0.30%, and lead head grade is expected to be in the range of 0.65% and 0.68%.

- Aripuanã: Three-year guidance reflects the updated mine plan and assumes Aripuanã ramp-up will continue to progress, achieving nameplate capacity in 2H23. Zinc production in 2023 is expected to be between 28-40kt. For 2024, zinc production at mid-range is estimated to increase by 54% over 2023 to 45-60kt, and a further 27% in 2025 over 2024.

Copper production (assuming mid-range production) in 2023 should increase to 6-8kt before decreasing in 2024 and 2025, as we expect to access lower grade copper areas, following mining plan.

- Cerro Lindo: Assuming a total throughput for the mine of 6.0-6.5Mt, annual zinc production is estimated to be between 69-92kt over the next three years. Zinc production at the midpoint of the 2023 guidance range is estimated to decrease by 10kt over 2022 mainly driven by lower zinc head average grade (down to 1.44%). For 2024-2025, zinc production at mid-ranges is expected to increase over 2023 to between 71-92kt explained by higher throughput and with production planned in higher-grade ore bodies following our mine plan.

Copper production (assuming mid-range production) in 2023 should decrease by 7kt over 2022, and a further 2kt in 2024 over 2023 due to lower copper average grade (down to 0.53% in 2023 and 0.47% in 2024). For 2025, copper production is estimated to increase by 3% over 2024 to between 24 to 27kt. Lead follows the same trend and for 2023-2025 production is expected to total between 11 to 15kt.

For the three-year period, silver production is expected to total between 3.5-4.5MMoz.

- El Porvenir: In 2023, zinc production at the midpoint of the guidance range is estimated to increase by 3% to 51-55kt. For 2024-2025, zinc production is estimated to decrease to 32-57kt with planned mill throughput reduction, assuming the implementation of the mine's integration plan as previously informed.

For 2023, lead production (assuming mid-range production) is estimated to be similar to 2022, before decreasing in 2024-2025 to 21-25kt, following lower throughput.

Silver production in 2023 at the midpoint of the guidance range is expected to decrease by 3% over 2022. For 2024, silver production at mid-ranges is expected to increase by 3%, and a further 15% in 2025 due to higher silver average grade areas, following our mining plan.

- Atacocha: Zinc production at the midpoint of the 2023 guidance range is estimated to increase by 7% over 2022. For 2024, zinc production at mid-ranges is expected to decrease by 2kt, before increasing to 12-18kt in 2025 due to the forecasted underground mine integration with El Porvenir.

Lead production (assuming mid-range production) in 2023 is estimated to decrease by 3% over 2022. For 2024, lead production is estimated to increase by 14% with production planned in higher-grade ore bodies following our mine plan, before decreasing to 11-12kt due to the expected lower lead average grade.

- Vazante: Zinc production at the midpoint of the 2023 guidance range is estimated to increase by 5% driven by higher throughput and zinc average grade (up to 10.4%) compared to 2022, which was affected by heavy rainfall levels in the state of Minas Gerais in 1Q22. For 2024-2025, zinc production is estimated to be between 131-149kt, similar to 2023 levels.
- Morro Agudo: Zinc production for the forecasted period is estimated to be between 17-21kt, as we do not anticipate an increase in ore availability for the forecasted period. As previously mentioned, we are revisiting the Bonsucesso project and Morro Agudo mine.

Smelting sales	2022	2023e	2024e	2025e
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Metal	580 - 605	580 - 605	580 - 605
Zinc metal	545 - 565	545 - 565	545 - 565
Zinc oxide	35 - 40	35 - 40	35 - 40

For the forecasted periods, the smelters are expected to operate at normal levels and sales are expected to be similar to production levels. Metal sales volume at the midpoint of the guidance range in 2023 is estimated to decrease by 4% compared to 2022, as these estimates do not assume the resale of material from third parties. For 2024-2025, metal sales volume is estimated to remain stable over 2023.

2023 Cash Cost

Cash costs for 2023 are based on several assumptions, including but not limited to:

- Production volumes;
- Commodity prices (Zn: US\$1.29/lb, Cu: US\$3.54/lb, Pb: US\$0.91/lb, Ag: US\$20/oz, Au: US\$1,700/oz);
- Foreign exchange rates (BRL/USD: 5.07 and Soles/USD: 3.94); and
- 2023 zinc treatment charges ("TCs") of US\$285/t concentrate.

Mining Cost (US\$/t)	Cash Cost (US\$/lb)	Cost ROM (US\$/t)	Cash Cost (US\$/lb)
2022	2022	2023e	2023e
Mining Cash Cost (1)	0.28	43.9 - 46.4	0.49 - 0.54
Cerro Lindo	(0.25)	40.1 - 42.1	0.11 - 0.13
El Porvenir	0.33	57.3 - 60.7	0.39 - 0.42
Atacocha	(0.71)	33.1 - 35.4	0.26 - 0.30
Vazante	0.56	57.2 - 59.0	0.68 - 0.74
Morro Agudo	0.98	35.0 - 38.2	1.02 - 1.18

(1)C1 Weighted Cash cost net of by-products credits is measured with respect to zinc sold per mine.

Mining: In 2023, consolidated run of mine mining costs at mid-range of the guidance are expected to increase 2% year-over-year, primarily driven by Vazante. Mining cash costs are expected to increase due to several reasons, as highlighted below.

In Peru, the unit cash cost of Cerro Lindo of US\$0.11-0.13/lb in 2023 is expected to increase, affected by the estimated lower contribution of by-products credits, the decrease in zinc volumes and higher TCs, in addition to inflationary pressure on input costs.

El Porvenir cash cost of US\$0.39-0.42/lb is expected to increase compared to 2022 driven by lower by-product credits and higher TCs, which should be partially offset by the expected increase in zinc volumes. Atacocha cash cost follows the same upward trend and is expected to be between US\$0.26-0.30/lb.

In Brazil, the cash cost of Vazante is estimated to be between US\$0.68-0.74/lb, negatively impacted by higher TCs and the expected increase in operating costs due to the scheduled trunion maintenance in the period, energy prices and inflationary pressures on costs, which should be partially offset by higher zinc volumes. Morro Agudo cash cost follows a similar trend and is expected to be between US\$1.02-1.18/lb, while run of mine mining cost is expected to decrease.

Smelters (US\$/lb)	Conversion Cost (US\$/lb)	Cash Cost (US\$/lb)	Conversion Cost (US\$/lb)	Cash Cost (US\$/lb)
2022	2022	2023e	2023e	2023e
Smelting				
Cash Cost (2)	1.34	0.29 - 0.32	1.13 - 1.18	
Cajamarquilla	1.28	0.27 - 0.29	1.11 - 1.15	
Três Marias	1.41	0.27 - 0.30	1.10 - 1.15	
Juiz de Fora	1.41	0.45 - 0.49	1.27 - 1.37	

(2)C1 Weighted Cash cost net of by-products credits is measured with respect to zinc sold per smelter.

Smelting: In 2023, conversion costs are expected to increase mainly driven by Brazil due to inflationary costs pressure and estimated higher energy costs. On the other hand, consolidated smelting cash costs in 2023 are expected to decrease year-over-year primarily due to an estimated decrease in zinc prices and higher TCs, which should be partially offset by lower by-product credits.

In Peru, the cash cost of Cajamarquilla of US\$1.11-1.15/lb in 2023 is expected to decrease compared to 2022, following lower zinc prices and higher TCs. Conversion costs are expected to remain relatively stable compared to 2022 of US\$0.27/lb.

In Brazil, Três Marias and Juiz de Fora smelters' cash costs are estimated to decrease to US\$1.10-1.15/lb and US\$1.27-1.37/lb, respectively, primarily driven by lower zinc prices and higher TCs, which should partially offset higher costs.

Note: Because of the ownership change in Enercan, one of the hydroelectric power plants that supplies electricity for our operations, Nexa began to recognize it as an equity interest in November 2022 rather than consolidate its pro-rata results. Although there will be no financial impact because expected dividends will be included in our Adjusted EBITDA, quarterly costs in Brazil will be affected. Refer to "Others | Enercan's deconsolidation" for further information.

2023 CAPEX

In 2023, CAPEX guidance is US\$310 million. Sustaining investments are expected to total US\$268 million, with smelting accounting for US\$66 million and mining accounting for US\$200 million, including US\$53 million at Aripuanã.

In the mining segment, the majority of sustaining capital expenditures are US\$79 million for underground mine development, US\$54 million for tailings storage facility ("TSF"), and US\$1.5 million for water management works.

In the smelting segment, the majority of sustaining capital expenditures are US\$12 million for TSF, US\$8 million for roaster maintenance, US\$4 million for compliance with regulatory standards, and US\$3 million for assets improvement.

Health, safety and environmental ("HSE") capital expenses are forecasted to be US\$26 million.

CAPEX
(2023 Guidance
million)

Expansion
 projects
 (1)

Non
 303
 Expansion
 Sustaining
 268
 (2)

HSE
 Others
 (3)

TOTAL

(1) Includes Vazante deepening (US\$4 million), among other several projects to improve operational performance.

(2) Investments in tailing dams are included in sustaining expenses. For further detail please refer to the Appendix.

(3) Modernization, IT and others.

2023 Exploration & Project Evaluation and Other Expenses

As part of our long-term strategy, we continued to maintain our efforts to replace and increase mineral reserves and resources. We expect in the future to continue advancing our exploration activities, primarily focusing on identifying new ore bodies and upgrading resources classification through infill drilling campaigns.

In 2023, we plan to invest US\$55 million in exploration. Our mineral exploration expense guidance of US\$33 million relates mainly to greenfield projects in the exploration phase (US\$18 million) and brownfield projects (US\$15 million), which are the exploration of orebody targets at our operations.

Our project evaluation expense guidance of US\$55 million includes, approximately, US\$20 million to extend the life of the disposal facility of Três Marias smelter. The remaining is for corporate IT, potential growth projects and various projects across our business units.

In addition, we expect to invest US\$10 million to improve our current operations and US\$15 million to continue contributing to the social and economic development of our host communities.

Other
 operating
 expense
 2023 guidance
 (US\$
 million)

Exploration
 Mineral
 33
 exploration
 Mineral
 15
 rights
 Sustaining
 10
 (mineral
 development)

Project
 55
 Evaluation
 Três
 20
 Marias
 Project

Exploration
& 110
Project
Evaluation
025
Technology
Communities

Note: Exploration and project evaluation expenses consider several stages of development, from mineral potential definition, R&D, and subsequent scoping and pre-feasibility studies (FEL1 and FEL2).

For a full version of this document, please go to our Investor Relations website at:
<http://ir.nexaresources.com>

About Nexa

Nexa is a large-scale, low-cost integrated zinc producer with over 60 years of experience developing and operating mining and smelting assets in Latin America. Nexa currently owns and operates five long-life underground mines - three located in the Central Andes of Peru and two located in the state of Minas Gerais in Brazil - and is starting the Aripuanã project as its sixth underground mine in Mato Grosso, Brazil. Nexa also currently owns and operates three smelters, two located in Brazil and one in Peru, Cajamarquilla, which is the largest smelter in the Americas. Nexa was among the top five producers of mined zinc globally in 2022 and also one of the top five metallic zinc producers worldwide in 2022, according to Wood Mackenzie.

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